

Ante, p. 929.

Effective date.

50 Stat. 916.
7 U. S. C. § 1183.*Ante*, p. 929.

power to make payments under title III under programs applicable to the crop year 1952 and previous crop years.

SEC. 412. The provisions of this Act, except where an earlier effective date is provided for herein, shall become effective January 1, 1948. As provided in section 513 of the Sugar Act of 1937, the powers vested in the Secretary under that Act shall terminate on December 31, 1947, except that the Secretary shall have power to make payments under title III of that Act under programs thereunder applicable to the crop year 1947 and previous crop years.

TITLE V—AMENDMENTS TO THE INTERNAL REVENUE CODE

53 Stat. 428.
26 U. S. C. § 3507
(b).

SEC. 501. (a) Subsection (b) of section 3507 of the Internal Revenue Code (relating to the definition of "manufactured sugar") is amended by inserting in the parenthesis after the word "added" therein the following: "or developed in the product".

53 Stat. 429.
26 U. S. C. § 3508.

(b) Section 3508 of the Internal Revenue Code (relating to termination of taxes) is amended to read as follows:

"SEC. 3508. TERMINATION OF TAXES.

53 Stat. 426, 428.
26 U. S. C. §§ 3490,
3500.

"No tax shall be imposed under this chapter on the manufacture, use, or importation of sugar or articles composed in chief value of sugar after June 30, 1953. Notwithstanding the provisions of section 3490 or 3500, no tax shall be imposed under this chapter with respect to unsold sugar held by a manufacturer on June 30, 1953, or with respect to sugar or articles composed in chief value of sugar held in customs custody or control on such date.

Supra.

With respect to any sugar or articles composed in chief value of sugar upon which tax imposed under section 3500 has been paid and which, on June 30, 1953, are held by the importer and intended for sale or other disposition, there shall be refunded (without interest) to such importer, subject to such regulations as may be prescribed by the Commissioner of Customs with the approval of the Secretary, an amount equal to the tax paid with respect to such sugar or articles composed in chief value of sugar."

Effective date.

(c) The amendments to the Internal Revenue Code provided for in this section shall become effective upon the first day of the second month following the date of the enactment of this Act.

Approved August 8, 1947.

[CHAPTER 520]

AN ACT

December 17, 1947
[S. 1774]
[Public Law 389]

To promote world peace and the general welfare, national interest, and foreign policy of the United States by providing aid to certain foreign countries.

Foreign Aid Act of
1947.

Purpose.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Aid Act of 1947".

Presidential powers.

SEC. 2. It is the purpose of this Act to provide immediate aid urgently needed by the peoples of Austria, China, France, and Italy, hereinafter referred to as the recipient countries, to alleviate conditions of hunger and cold and prevent serious economic retrogression.

SEC. 3. The President, acting through such existing departments, agencies, or independent establishments of the Government as he shall direct, may, by allocation of funds herein authorized to any such existing departments, agencies, or independent establishments, or by establishing in this country credits subject to the control of the

President, whenever he finds it in furtherance of the purposes of this Act and upon the terms and conditions set forth in this Act—

(a) procure, or provide for the procurement of, from any source—

(1) food, medical supplies, fibers, fuel, petroleum and petroleum products, fertilizer, pesticides, and seed, delivered in a recipient country on or after the date of the enactment of this Act; and

(2) incentive goods, consisting of commodities not in short supply in the United States, including Government-owned stocks, to be used, distributed, or sold in a recipient country, under a specific agreement previously entered into pursuant to section 5 (g) to increase the production or distribution of locally produced commodities referred to in paragraph (1) of this subsection (a): *Provided*, That not more than 5 per centum of the funds made available under the authority of this Act may be used to procure such incentive goods;

(b) transport and store, or provide for transportation and storage of, such commodities;

(c) transfer such commodities to any recipient country;

(d) incur and defray expenses, including administrative expenses and expenses for compensation and travel of personnel, for carrying out the purposes of this Act.

SEC. 4. The President shall promulgate regulations controlling the purchase or procurement of commodities under this Act designed to minimize (a) the drain upon the natural resources of the United States and (b) the impact of such purchase or procurement upon the domestic price level: *Provided*—

Purchase and procurement regulations.

(1) That procurement may be from foreign sources whenever the cost delivered to the recipient country will be less than the cost delivered from the United States;

Procurement from foreign sources.

(2) That, except in the case of commodities not produced in commercial quantities in the United States, not more than 10 per centum of the funds made available under the authority of this Act may be used to procure commodities abroad at delivered cost higher than from the United States, its Territories and possessions, provided that the President shall find that such commodities are in short supply or not readily available in the United States: *Provided further*, That no funds made available under the authority of this Act shall be used by any procurement agency of the United States Government for the purchase, within the United States and its Territories and possessions, of any commodities (other than commodities procured by or in the possession of the Commodity Credit Corporation pursuant to Act of July 1, 1941, 55 Stat. 498, as amended) at prices higher than the market price prevailing at the time of the purchase in the area wherein the purchase is made;

Price limitation.

15 U. S. C. §§ 713, 713a-1, 713a-4, 713a-8. *Ante*, p. 451.

(3) That the President shall, in making a finding of short supply in the United States, consider (a) the drain upon natural resources, and (b) the effect of the necessary procurement upon domestic prices;

(4) That the procurement of petroleum and petroleum products shall, to the maximum extent practicable, be made from petroleum sources outside of the United States and its Territories and possessions; and wherever practicable such petroleum and petroleum products shall be delivered to the recipient country by the most economical route from the source of supply.

Petroleum and petroleum products.

SEC. 5. Before any commodities are made available to any recipient country under the authority of this Act, an agreement shall be entered

Bilateral agreement. Undertaking by recipient country.

into, subject to the limitations and provisions of this Act, between such country and the United States containing an undertaking by such country—

(a) to make efficient use of any commodities made available under the authority of this Act and to take insofar as possible the economic measures necessary to increase its ability to achieve a self-sustaining economy;

(b) to make, when any commodity which is not furnished on terms of repayment in dollars is made available under this Act, a commensurate deposit in the currency of such country in a special account under such general terms and conditions as may, in said agreement, be agreed to between such country and the Government of the United States, and to hold or use such special account for, and only for, such purposes as may be agreed to between such country and the Government of the United States, and under agreement by the government of the receiving country that any unencumbered balance remaining in such account on June 30, 1948, will be disposed of within such country for such purposes as may, subject to approval by Act or joint resolution of the Congress, be agreed between such country and the Government of the United States;

(c) to give full and continuous publicity by all available media (including government press and radio) within such country, so as to inform the ultimate consumers, as to the purpose, source, character, and amounts of commodities made available under the authority of this Act;

(d) to furnish promptly upon request of the President information concerning the method of distribution and use of commodities made available under this Act, and to furnish on March 31, 1948, or as soon as practicable thereafter, information showing—

(1) an itemized list of commodities made available with funds provided under this Act;

(2) the total amount of money received by such country from the sale of commodities made available under this Act and the average price charged per unit for each commodity;

(3) a detailed statement of the disposition of all money and other things of value received from the sale or transfer of any commodities made available under this Act; and

(4) such other information concerning the distribution and use of commodities made available under this Act as may be requested by the President;

(e) to make available to its people at reasonable prices, consistent with economic conditions in the recipient country, such commodities as it may sell under the terms of this Act; and, where necessary, to distribute to indigent and needy persons their fair share of all available food supplies;

(f) to make all possible efforts to secure the maximum production and distribution of locally produced commodities, and not to permit any measures to be taken involving sale, distribution, or use of any commodities of the character covered in this Act which would reduce the locally produced supply of such commodities or the utilization of foreign sources of supply other than the United States;

(g) to enter into specific agreements providing for such use, distribution, and sale of each classification of incentive goods, made available to it under the authority of this Act, as will increase the production or distribution of locally produced commodities referred to in paragraph (1) of section 3 (a);

(h) not to export or permit removal from such country, while need therefor continues, of commodities made available under the authority of this Act or commodities of the same character produced locally or imported from outside sources, except to the extent agreed upon by the Government of the United States;

(i) to permit representatives of the Government of the United States, including such committees of the Congress as may be authorized by their respective Houses, to observe, advise, and report on the distribution among the people of such country of commodities made available under the authority of this Act;

(j) to permit representatives of the press and radio of the United States to observe and report on the distribution and utilization of the commodities made available under this Act and the special account provided for in subsection (b) of this section.

SEC. 6. The President shall promptly terminate the provision of aid under this Act for any country (a) whenever he determines that such country is not adhering to the terms of its agreement entered into in accordance with section 5 of this Act; or (b) whenever he finds, by reason of changed conditions, that the provision of aid under this Act is no longer necessary or desirable; or (c) whenever he finds that because of changed conditions aid under this Act is no longer consistent with the national interests of the United States.

Termination of aid.

SEC. 7. All commodities made available under the authority of this Act or the containers of such commodities shall, to the extent practicable, be marked, stamped, branded, or labeled in a conspicuous place as legibly, indelibly, and permanently as the nature of such commodities or containers will permit, in such manner as to indicate to the people of the country of destination that such commodities have been furnished or made available by the United States of America.

Labeling of commodities or containers.

SEC. 8. Wherever reference is made, in this Act, to commodities made available under the authority of this Act, such reference shall be deemed to include commodities procured with credits made available to a recipient country under the authority of this Act.

"Commodities."

SEC. 9. The President shall take appropriate steps to encourage other countries to make available to recipient countries such aid as they may be able to furnish.

Encouragement of aid by other countries.

SEC. 10. The President may, from time to time, promulgate such rules and regulations as he may find necessary and proper to carry out any of the provisions of this Act: *Provided*, That nothing in this Act shall be deemed to authorize the issuance of any proclamations, orders, rules, or regulations in any way controlling production or prices or allocating deliveries of any commodity within the United States. He may delegate to the Secretary of State any of the powers or authority conferred on him under this Act. In accordance with the direction of the President, the responsibility for administering in the recipient countries the program of assistance provided for in this Act shall be vested in the field administrator of the United States foreign relief program appointed pursuant to section 4 of the joint resolution of May 31, 1947 (Public Law 84, Eightieth Congress). The provisions of subsections (i) and (j) of section 5 of this Act shall not apply to distribution of commodities in Austria: *Provided*, That the President shall have determined, upon recommendation of the United States High Commissioner for Austria, that commodities furnished to Austria hereunder will be distributed under control systems embodied in agreements between the High Commissioner and the other occupying authorities or the Austrian Government which assure compliance with the objectives of the occupation and with the purposes of this Act. No citizen or resident of the United States shall serve under this Act as a United States representative,

Rules and regulations.

Delegation of powers. Administration abroad.

Ante, p. 127.
Distribution in Austria.

Loyalty and security investigations.

observer, or adviser until such person has been investigated as to loyalty and security by the Federal Bureau of Investigation. The field administrator may, when he finds it essential to the purposes of this Act, utilize for observation the services of a limited number of other persons, who shall be investigated and approved by the field administrator.

Appropriation au-
thorized.
Post, p. 942.

SEC. 11. (a) There is hereby authorized to be appropriated not to exceed \$597,000,000, out of any money in the Treasury not otherwise appropriated, to carry out the provisions and accomplish the purposes of this Act. This Act, however, shall not imply any present or future obligation to give aid to any foreign country, nor shall it imply or guarantee the availability of any specific commodities.

Wheat, wheat flour,
and cereal grain.

(b) Notwithstanding any other provision of this Act, none of the funds authorized or made available under this Act shall be used or made available for use for the acquisition of wheat, wheat flour, or cereal grain in the United States or the shipment thereof from the United States unless the President shall first—

(1) survey the requirements of other countries which are dependent upon the United States for a portion of their supplies of such commodities;

(2) estimate the quantities of such commodities which will probably be made available to such countries from the United States; and

(3) estimate the total amount of such commodities available for export from the United States to the recipient countries, after giving due consideration to the quantity thereof required in this country for food, feed, seed, and industrial uses, and for the needs of other countries dependent upon the United States for supplies of such commodities. In estimating the amount of such commodities available for export from the United States the President shall allow for a carry-over of wheat in the United States as of July 1, 1948, of not less than one hundred and fifty million bushels to protect the economy of the United States from inflationary prices and to insure against a scarcity of bread for domestic consumption during the twelve-month period beginning July 1, 1948.

The funds authorized herein shall not be made available or used to acquire a quantity of wheat, wheat flour and cereal grain in the United States which, after taking into consideration the amount estimated for export to other countries, and the amount needed for domestic consumption in the United States, will leave a carry-over of less than one hundred and fifty million bushels of wheat on July 1, 1948, unless the estimates of the President after March 1, 1948, justify an increase in the amount available for export to recipient countries with full protection for domestic needs.

Availability of
funds.

(c) Funds authorized under this Act, when allocated to any department, agency, or independent establishment of the Government, shall be available for obligation and expenditure in accordance with the laws governing obligations and expenditures of such department, agency, or independent establishment or organizational unit thereof concerned, and without regard to sections 3709 and 3648 of the Revised Statutes, as amended (41 U. S. C. 5; 31 U. S. C. 529).

Advances by RFC
Ante, p. 125.

(d) Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation shall be made pursuant to this section, to make advances, not to exceed in the aggregate \$150,000,000, to carry out the provisions of this Act, in such manner and in such amounts as the President shall determine. From appropriations authorized under this section, there shall be repaid without interest to the Reconstruction Finance Corporation the advances made by it under the

authority contained herein. No interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation in implementation of this subsection.

(e) Notwithstanding any other provision of law, any commodity heretofore or hereafter acquired by any agency of the Government under any price-support program shall, to the extent that such commodity is determined by the President to be appropriate for such purpose and in excess of domestic requirements, be utilized in providing aid under this Act or any other Act providing for assistance and relief to foreign countries, and shall be disposed of by such agency for such purpose at such price as may be determined by such agency, which price may be the equivalent of the domestic market price of a quantity of wheat having a caloric value equal to that of the quantity of the commodity so disposed of. Any such agency shall report to the Congress on March 31, 1948, or as soon as practicable thereafter, the amount of losses incurred by it as the result of the disposition of commodities hereunder and the Secretary of the Treasury is authorized and directed to cancel notes of such agency held by him in an amount equal to the amount of such losses.

Commodities acquired under price-support programs.
Post, p. 942.

Report to Congress.

SEC. 12. Personnel employed to carry out the purposes of this Act shall not be included in computing limitations on personnel established pursuant to the Federal Employees Pay Act of 1945 (59 Stat. 298), as amended by section 14 of the Federal Employees Pay Act of 1946 (60 Stat. 219).

Nonapplication of certain personnel limitations.

5 U. S. C. § 947.

Report to Congress.

SEC. 13. The President, from time to time, but not less frequently than once every calendar quarter, and until the end of the quarterly period after all operations under the authority of this Act have been completed, shall transmit to the Congress a report of operations under this Act. All information received pursuant to undertakings provided for by section 5 (d) of this Act shall, as soon as may be practicable after the receipt thereof, be reported to the Congress. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, if the Senate or the House of Representatives, as the case may be, is not in session.

SEC. 14. The functions, applicable records, and funds provided for the purposes of carrying out this Act shall be transferred to the administration of any organization for general foreign aid which Congress may provide. To the extent that any funds may be made available under provisions of any other Act heretofore or hereafter passed relating to China, any funds reserved under this Act for China may be used for aid to the other countries named in section 2 of this Act.

Transfer of functions, etc., to foreign aid organization.

SEC. 15. After March 31, 1948, no funds may be obligated for the procurement of commodities provided for under this Act.

Time limitation.

SEC. 16. (a) Clause (1) in the proviso in the first paragraph of the first section of the joint resolution of May 31, 1947 (Public Law 84, Eightieth Congress), is amended to read as follows: "(1) to constitute more than 57 per centum of the aggregate amount contributed to said fund by all governments, including the United States;".

International Children's Emergency Fund of U. N.
Ante, p. 125.

(b) The amendment made by subsection (a) of this section shall take effect as of May 31, 1947.

SEC. 17. If any provision of this Act or the application of such provision to any circumstance shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other circumstances shall not be affected thereby.

Saving clause.

SEC. 18. Nothing in this Act shall be construed to make inapplicable, in the case of commodities procured under the authority of this Act, the authority to prohibit or curtail exports granted by section 6 of the Act of July 2, 1940 (Public Law 703, Seventy-sixth Congress), as now in force or as hereafter amended.

Authority to curtail military exports.

54 Stat. 714.
50 U. S. C. app.
§ 701.
Ante, pp. 214, 323;
post, p. 946.

Approved December 17, 1947.